



Title: Title I, Payroll/Personnel Manual

Chapter:

Bulletin: Title I, 03-5, Catch-up Contributions for Thrift Savings Plan (TSP) Participants Age 50 and Over

Date: July 25, 2003

To: Holders of the Payroll/Personnel Manual
Personnel User Groups
Personnel Offices

This bulletin announces enhancements to the Payroll/Personnel System as a result of Public Law 107-304, which permits eligible Thrift Savings Plan (TSP) participants who are age 50 or older to make tax-deferred “catch-up” contributions from their basic pay to their TSP accounts. The TSP catch-up contributions are a supplement to the participant’s regular employee TSP contributions and do not count against either the statutory contribution percentage limitations or the Internal Revenue Service (IRS) elective deferral limit for regular TSP contributions.

The following criteria is necessary to be eligible to participate in the “catch-up” contributions.

- The employee must be in a pay status since contributions are made through payroll deductions.
- The employee must be at least 50 years or older in the year the “catch-up” contributions are made.
- The employee must be contributing the maximum amount allowed according to TSP and/or IRS and not exceeding the TSP catch-up contribution limit, see TSP Catch-up Contribution Limits.
- The employee cannot be in the 6-month, non-contributing period following a financial hardship in-service withdrawal.

TSP Catch-up Contribution Elections

Elections for TSP catch-up contributions are separate from the participant’s election for regular TSP employee contributions. The participant can make a TSP catch-up contribution election at any time beginning in or after the year in which they turn age 50. **Note:** As specified by the Federal Retirement Thrift Investment Board the participant must make a new election each year. Please see the note below to understand when the National Finance Center (NFC) TSP recording year begins and ends.

Filing Instructions: File with the Payroll/Personnel Manual.

Expiration Date: When superseded

TSP catch-up contributions are not subject to the open season rules, and more than one election may be made in any given year (so long as the annual catch-up limit is not exceeded). Elections are to be made effective no later than the first full pay period following the agency's receipt of the election and terminates with the last pay date of the year in which it applies, or when the contribution limit is reached, whichever occurs first.

The TSP catch-up contribution amount can *only* be made in terms of a requested whole dollar amount, which will be deducted from the participant's basic pay **each pay period** until the earliest of one of the following conditions is met:

- The annual catch-up limit is reached
- The calendar year ends
- The participant elects to stop the catch-up contribution.

Note: For TSP catch-up contribution purposes, Calendar Year 2003 will be NFC's Tax Year 2003, which will include salary payments for Pay Period 16 through Pay Period 24, 2003. **Therefore, employees who wish to continue or start TSP catch-up contributions in Tax Year 2004 must submit a new Form TSP-1-C, Thrift Savings Plan Catch-up Contribution Election, for the processing of Pay Period 25, 2003.** Salary payments for Calendar Year 2004 (which is NFC's Tax Year 2004) will include Pay Period 25, 2003, through Pay Period 24, 2004.

There will be no matching Government contributions associated with the TSP catch-up contributions.

The TSP catch-up contributions will be invested in the employee's TSP account based on the same allocation as their regular TSP contributions. Agencies should remind their employees that TSP contribution allocations must be made using the TSP Web site at www.tsp.gov, the Thriftline at **504-255-8777**, or Form TSP-50, Investment Allocation.

TSP Catch-up Contribution Limits

TSP catch-up contributions are not subject to the IRS elective deferral limits. However, these contributions are limited as follows:

Year	TSP Limit - FERS	TSP Limit - CSRS	IRS Limit	Catch-up Contribution Limit
2003	13%	8%	\$12,000	\$2,000
2004	14%	9%	\$13,000	\$3,000
2005	15%	10%	\$14,000	\$4,000
2006 and thereafter	\$15,000	\$15,000	\$15,000	\$5,000

NFC entry systems will not check if an employee has already reached the IRS or TSP catch-up limit when Form TSP-1-C is entered. Therefore, agencies may wish to remind their employees about the TSP catch-up contribution year-to-date limits when they submit Form TSP-1-C.

There will be an edit on the TSP catch-up contribution deduction amount to verify the amount is not over the prescribed limit and the Payroll/Personnel System will **discontinue** TSP catch-up contribution deductions once the TSP catch-up limit is reached. However, no notifications to the employee or personnel office will be given once the deductions have been stopped.

Reminder: The employee and/or the personnel office need to ensure that the TSP catch-up contribution limit is not exceeded, especially if the employee has transferred to the agency, elects catch-up contributions, and has already had TSP catch-up contribution deductions with the losing agency. The Payroll/Personnel System will not have a record of the deductions withheld for the prior agency.

TSP Catch-up Contribution Terminations

Unlike regular TSP contributions, participants can stop or restart their TSP catch-up contributions at any time during the year without penalty. The termination of TSP catch-up contributions does not affect the participant's regular TSP contributions.

If a participant stops his/her regular TSP contributions, his/her TSP catch-up contributions must also stop. **Note:** The Payroll/Personnel System will automatically stop the employee's TSP catch-up contributions in the same pay period that the employee's regular TSP contributions stop.

If the participant receives a financial hardship in-service withdrawal, his/her TSP catch-up contributions must stop along with regular TSP contributions. **Note:** NFC's Manual Pay Section stops the contributions and notifies agencies when an employee begins receiving an in-service withdrawal. At the end of the 6-month non-contributing period, the employee will be notified by the TSP Service Office that he/she can again participate in TSP. To re-enroll in TSP, the employee must submit Form TSP-1, Thrift Savings Plan Election Form, for regular TSP contributions and Form TSP-1-C for TSP catch-up contributions.

Payroll/Personnel System Enhancements

Effective with the processing of Pay Period 16 (payday September 4, 2003), enhancements will be made to the following systems as a result of Public Law 107-304:

- Payroll/Personnel Remote Entry System (PRES)
- Entry, Processing, Inquiry, and Correction System (EPIC)
- Front-End System Interface (FESI)

- Employee Personal Page (EPP)/Employee Self Service (ESS)
- Personnel Edit Subsystem (PINE)
- Information/Research Inquiry System (IRIS)
- Payroll/Personnel Inquiry System (PINQ)
- Statement of Earnings and Leave System (EARN)

PRES

PRES Program DP126, Thrift Savings Plan Catch-up Election Form, will be added to PRES to allow for the processing of TSP catch-up contribution transactions. For detailed instructions on PRES Program DP126, see Attachment 1, Entry Instructions for PRES Program DP126, Thrift Savings Plan Catch-up Election Form.

EPIC

EPIC Program EI9001, Thrift Savings Plan Catchup Form, will be added to EPIC to allow for the processing of TSP catch-up contribution transactions. For detailed instructions on EPIC Program EI9001, see Attachment 2, Entry Instructions for EPIC Program EI9001, Thrift Savings Plan Catchup Form.

Note: EPIC users must install the new client version of EPIC (Version 02.05) to display the new TSP catch-up contribution program. Agencies may continue to use EPIC Version 02.04 until September 27, 2003. After that date, EPIC Version 02.05 must be used to transmit payroll/personnel transactions to NFC.

FESI

A new FESI Record Layout, Thrift Savings Plan Catch-up (126), will be added to FESI to allow agencies to transmit their TSP catch-up contribution transactions to NFC. For detailed instructions on the Thrift Savings Plan Catch-up (126), see Attachment 3, FESI Record Layout for Thrift Savings Plan Catch-up (126).

EPP/ESS

EPP/ESS Option, Thrift Savings Plan (TSP) Catch-up, will be added to EPP/ESS, which is accessed from the NFC home page (www.nfc.usda.gov), to allow employees to submit their TSP catch-up contribution transactions. For detailed instructions on using this new option, click **Help** on the Welcome header bar for the Thrift Savings Plan (TSP) Catch-up Option.

PINE Edit Messages

Edit messages for TSP catch-up contribution transactions will be under Document Type 126, Thrift Savings Plan Catch-up. For more information on the PINE edit messages for Document Type 126, see the PINE Edit Messages procedure.

IRIS/PINQ

Plan Code 06 (Catch-up Contributions for Participants Age 50 or Over or Those Turning 50 Within The Elective Tax Year) will appear on IRIS Program IR118, Thrift Savings Data, and PINQ Program PQ056, PACS Thrift Savings, for TSP catch-up contribution deductions.

New Transaction Code

Transaction code (TC) 75, Suffix 24, TSP Catch-up Tax Deferred, will be added to EARN, the employee's E&L Statement in EPP, and the employee's Form AD-334, Statement of Earnings and Leave, for TSP catch-up contribution deductions.

Payroll/Personnel Procedures

The applicable payroll/personnel procedures have been updated to include the information in this bulletin. The **Latest Update Information** section at the beginning of the procedure provides a summary of the update. To view and/or print a procedure, go to the NFC home page (www.nfc.usda.gov) and click the **Pubs & Forms** icon. At the Pubs & Forms page left-hand menu, click **List by Title/Chapter** and search for the appropriate chapter on the list provided. If you are unable to print from the Web, you can request a printed copy by submitting Form AD-1083, Request for Action for Procedures/Reports, to the address or fax number printed on the form.

Inquiries

For more information on catch-up contributions for TSP participants age 50 and older, see the TSP Web site, www.tsp.gov.

For questions about policy/regulations, contact your Agriculture Payroll/Personnel User Group (AGPUG) representative or Committee for Agriculture Payroll/Personnel System (CAPPS) representative. Please refer questions about NFC processing to the Payroll Operations Branch at **504-255-4630**. Please refer questions about system access to Customer Support at **504-255-5230** or customer.support@usda.gov. For questions about this bulletin, call **504-255-5322** or send an e-mail to nfc.pvct@usda.gov.



for

PENNY W. FORBES, Acting Director
Government Employees Services Division

Attachments

Entry Instructions for PRES Program DP126, Thrift Savings Plan Catch-Up Election Form

Instructions for entering data through PRES Program DP126 are provided below:

To enter a Thrift Savings Plan (TSP) catch-up transaction in PRES:

1. At the PRES Menu, type **126** in the **Document Type/Next Page** field and press **[Enter]**.
The Thrift Savings Plan Catch-Up Election Form screen (**Figure 1**) is displayed.

DP12601M

THRIFT SAVINGS PLAN CATCH-UP ELECTION FORM

XX/XX/XX

OPER INITIALS

FUNCTION

DEPT/AGENCY CODE

POI

SSNO

EFF PAY PERIOD

PAY PERIOD YR

NEXT DOCUMENT TYPE

CLR=EXIT PF1=MENU PF5=HELP PF10=REFRESH PF11=DOC TYPE PF12=STATUS

NAME LAST

FIRST

MIDDLE

PLACE AN (*) NEXT TO SECTION DESIRED

I-ENROLLING

II-CHANGING CONTRIBUTION

III-STOPPING YOUR CONTRIBUTION

SECTION II

CONTRIBUTION AMOUNT

DC904860 KEY IN REQUIRED DATA AND PRESS ENTER

STATUS

Figure 1. Thrift Savings Plan Catch-Up Election Form screen

2. Complete the key fields as indicated in the PRES procedure.
3. Complete the remaining fields as described below:

**Place An (*) Next To
Section Desired**
I-Enrolling
II-Changing Contribution
**III-Stopping Your
Contribution**

Required, numeric, 1 position
Type an asterisk (*) next to the type of action to be taken.

Section II: The amount to be deducted each pay period.

Contribution Amount *Required, numeric, 4 positions*
Type the amount to be deducted each pay period in whole dollars
(e.g., to enter \$50.00, type **0050**).

Status

Required, alpha, 1 position

Type the status code. Valid values are:

R	release
H	hold
I	incomplete

4. After completing the fields, press **[Enter]**. If the data passes system edits, the message *Document Successfully Added* is displayed.

Entry Instructions for EPIC Program EI9001, Thrift Savings Plan Catchup Form

Instructions for entering data through EPIC Program EI9001 are provided below:

To enter a Thrift Savings Plan (TSP) catch-up transaction in EPIC:

1. At the EPIC Navigation window, select **Payroll Document** from the New Document Menu. An alphabetical list appears. Select **Federal Benefit > Thrift Saving Plan Catchup**. At the menu bar select, **Edit > Add New Document**. The Thrift Savings Plan Catchup Form window (**Figure 2**) is displayed.

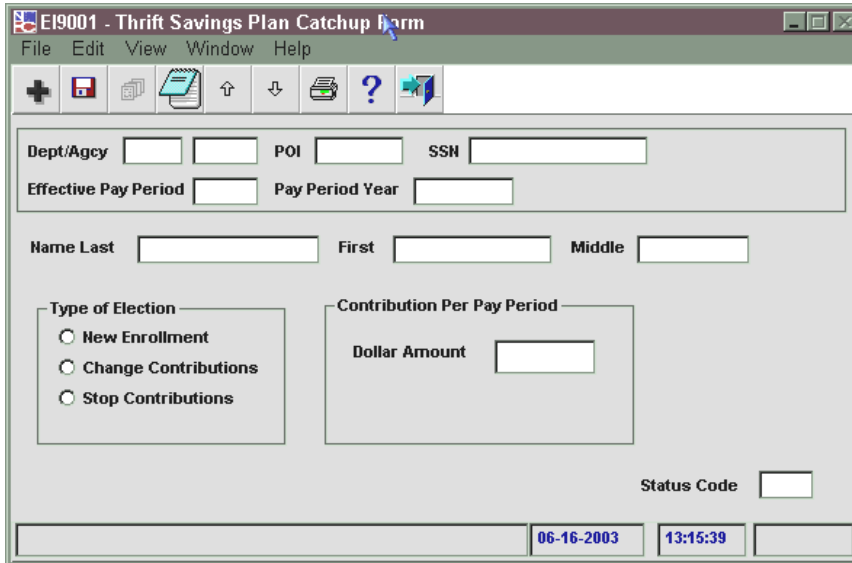


Figure 2. Thrift Savings Plan Catchup Form window

2. Complete the key fields as indicated in the EPIC procedure.
3. Complete the remaining fields as described below:

Type of Election

Required, numeric, 1 position

If the employee is enrolling in TSP catch-up, click the **New Enrollment** radio button. If the employee is changing their TSP catch-up contributions, click the **Change Contributions** radio button. If the employee is cancelling their TSP catch-up contributions, click the **Stop Contributions** radio button.

Dollar Amount

Required, numeric, 4 positions.

Type the amount to be deducted each pay period in whole dollars (e.g., to enter \$50.00, type **0050**).

Status

Required, alpha, 1 position

Type the status code. Valid values are:

R	release
H	hold
I	incomplete

4. After completing the fields, select **File > Save**. When the Save Changes pop-up appears, click **[Yes]** to save the entries and edit the document; click **[No]** to exit the window and not save the entries; or click **[Cancel]** to reopen the window.

FESI Record Layout for Thrift Savings Plan Catch-Up (126)

Thrift Savings Plan Catch-up (126)						
Data Element Name	Data Element Format	Start Position	End Position	Data Element Description	Optional(O)/Mandatory(M)	Field Specifications/ Value(s)
DOCUMENT-TYPE	A3	1	3	The type of document being transmitted.	M	<i>numeric, 3 positions</i> The document type is 126 .
AGCY-CODE	A2	4	5	The first level of the organizational structure codes used to identify the agency as defined by the National Finance Center (NFC).	M	<i>numeric, 2 positions</i> For a list of valid values, see the Table Management System (TMGT), Table 023, Agency/Bureau.
PERSONNEL-OFFICE-IDENTIFIER	A4	6	9	An identifying code assigned by the Office of Personnel Management (OPM) to a Federal civilian personnel office authorized to appoint and separate employees and maintain personnel data.	M	<i>numeric, 4 positions</i> For a list of valid values, see TMGT, Table 001, Personnel Office Identifier Name and Address.
BATCH-NO	A4	10	13	A number assigned by a personnel office to identify different batches of documents transmitted to NFC.	M	<i>numeric, 4 positions</i> Valid values are: 66XX - The document remains in suspense until corrective action is taken. 67XX - The document remains in suspense for one pass and coded for deletion unless some type of positive action is taken.
SSNO	A9	14	22	A unique 9-digit number assigned by the Social Security Administration.	M	<i>numeric, 9 positions</i> The employee's social security number.
PAY-PERIOD-NUMBER	A2	23	24	The number corresponding to the pay period for which the document is being processed (effective).	M	<i>numeric, 2 positions</i> Valid values are 01 through 27 .

Data Element Name	Data Element Format	Start Position	End Position	Data Element Description	Optional(O)/ Mandatory(M)	Field Specifications/ Value(s)
USER-ID	A7	25	31	The user identification of the person entering the data.	M	<i>alphanumeric, 7 positions</i> The unique user-ID assigned by NFC.
DEPARTMENT-CODE	A2	32	33	The department of the United States Government for which the data is being entered.	M	<i>alpha, 2 positions</i> For a list of valid values, see the OPM Guide to Personnel Data Standards.
FILLER	A1	34	34	Unused field.	M	<i>alphanumeric, 1 position</i> Space.
FESI-DOC-EFF-CN	A2	35	36	The effective century of the document being transmitted.	M	<i>numeric, 2 positions</i> Valid values are 19 and 20 .
FESI-DOC-EFF-YR	A2	37	38	The effective year of the document being transmitted.	M	<i>numeric, 2 positions</i> Valid values are 00 through 99 .
TS-DATE-EFF-MO	A2	39	40	The effective month the employee authorized the deduction for TSP catch-up contributions. Note: First day of pay period.	M	<i>numeric, 2 positions</i> Valid values are 01 through 12 .
TS-DATE-EFF-DA	A2	41	42	The effective day the employee authorized the deduction for TSP catch-up contributions. Note: First day of pay period.	M	<i>numeric, 2 positions</i> Valid values are 01 through 31 .
TS-DATE-EFF-CN	A2	43	44	The effective century the employee authorized the deduction for TSP catch-up contributions. Note: First day of pay period.	M	<i>numeric, 2 positions</i> Valid values are 19 and 20 .
TS-DATE-EFF-YR	A2	45	46	The effective year the employee authorized the deduction for TSP catch-up contributions. Note: First day of pay period.	M	<i>numeric, 2 positions</i> Valid values are 00 through 99 .
TS-TRANS-CODE	A1	47	47	The type of action being taken for the TSP catch-up document being transmitted.	M	<i>alphanumeric, 1 position</i> Valid values are: 1 (new enrollment) 2 (change) 3 (cancellation)

Data Element Name	Data Element Format	Start Position	End Position	Data Element Description	Optional(O)/Mandatory(M)	Field Specifications/ Value(s)
TS-PLAN-CODE	A2	48	49	A unique code that identifies the carrier of the applicable benefit.	M	<i>numeric, 2 positions</i> Valid value is 06 (TSP catch-up contributions).
TS-CHANGE-IND	A1	50	50	NFC use.	M	<i>alphanumeric, 1 position</i> Space.
TS-DEDUCTION-F ACTOR	A4	51	54	The fixed amount to be deducted from the employee's salary for TSP catch-up contributions.	M	<i>numeric, 4 positions</i> The whole dollar amount to be withheld each pay period (e.g., to enter \$50.00, enter 0050).
FILLER	A8	55	62	Unused field.	M	<i>alphanumeric, 8 positions</i> Spaces.
FILLER	A5	63	67	Unused field.	M	<i>alphanumeric, 5 positions</i> Spaces.
FILLER	A5	68	72	Unused field.	M	<i>alphanumeric, 5 positions</i> Spaces.
FILLER	A1	73	73	Unused field.	M	<i>alphanumeric, 1 position</i> Space.
FILLER	A727	74	800	Unused field.	M	<i>alphanumeric, 727 positions</i> Spaces.